

## Pottawatomie County

### Estimated Economic Impact of Agriculture, Food, and Food Processing Sectors

6/12/2018

Using the most recent IMPLAN data available (2016) adjusted for 2018, 22 agriculture, food, and food processing sectors were analyzed to determine their overall contribution to the Pottawatomie County economy.<sup>1</sup>

These 22 sectors have a total direct output of approximately **\$287.3 million** and support **1,154 jobs** in Pottawatomie County. Running the model for all 22 sectors simultaneously produces the following results:

Agriculture, Food, and Food Processing Sector Contribution to Overall Pottawatomie County Economy						
Impact Type <sup>2</sup>	Employment	% Employment	Total Value Added <sup>3</sup>	Total Value Added % of Gross Regional Product <sup>4</sup>	Output <sup>5</sup>	Output % of Gross Regional Product
Direct Effect	1154.1	8.26%	\$79,086,180	6.97%	\$287,346,224	25.32%
Indirect Effect	549.7	3.93%	\$29,648,858	2.61%	\$57,188,968	5.04%
Induced Effect	156.3	1.12%	\$10,614,771	0.94%	\$19,530,456	1.72%
<b>Total Effect</b>	<b>1860.0</b>	<b>13.31%</b>	<b>\$119,349,808</b>	<b>10.52%</b>	<b>\$364,065,648</b>	<b>32.08%</b>

As shown in the above table, agriculture, food, and food processing sectors support **1,860 jobs**, or **13.31%** of the entire workforce in the county. These sectors provide a total economic contribution of approximately **\$364.1 million**, **roughly 32.08% of the economy**.

Another metric used to calculate the importance of sectors in an economy is their value added as a percentage of GRP. Total value added by the 22 agriculture, food, and food processing sectors is approximately **\$119.3 million**, or **10.52% of the GRP**. This indicates that personal income, business income, and taxes generated by these sectors account for **10.52% of the total economy**.

The following tables document the top industries affected by employment and output, as well as a listing of all industries that were analyzed.

<sup>1</sup> Article on building a contribution analysis in IMPLAN that avoids double counting:

[http://www.implan.com/index.php?option=com\\_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70](http://www.implan.com/index.php?option=com_content&view=article&id=660%3A660&catid=253%3AKB33&Itemid=70)

<sup>2</sup> Direct, indirect, and induced effects sum together to estimate the total economic contribution in the state. **Direct effects** capture the contribution from agricultural and food products. **Indirect effects** capture the economic benefit from farms and agricultural businesses purchasing inputs from supporting industries within the state. **Induced effects** capture the benefits created when employees of farms, agricultural businesses, and the supporting industries spend their wages on goods and services within the state.

<sup>3</sup> Value added = labor income + indirect business taxes + other property type income.

<sup>4</sup> GRP = final demand of households + governments expenditures + capital + exports - imports - institutional sales.

<sup>5</sup> Output = intermediate inputs + value added.

In the top ten agriculture, food, and food processing sectors by employment, the beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming sector is the top employer with **495 employees**. This table also shows the amount of jobs that are created by the agriculture industry in Pottawatomie County.

Top Ten Agriculture, Food, and Food Processing Sectors by Employment		
Sector	Total Employment	Total Output
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	494.5	\$56,139,342
Support activities for agriculture and forestry	239.6	\$9,774,544
All other crop farming	141.0	\$10,351,961
Breakfast cereal manufacturing	135.5	\$107,212,732
Landscape and horticultural services	83.1	\$3,573,015
Grain farming	74.4	\$26,454,888
Wholesale trade	73.0	\$14,966,190
Truck transportation	49.9	\$6,250,745
Wineries	46.8	\$14,067,837
Veterinary services	45.6	\$3,901,903

The breakfast cereal manufacturing sector directly contributes approximately **\$107.2 million** to the Pottawatomie County economy. The table below also shows the amount of revenue that is generated in other industries by having a strong agriculture industry.

Top Ten Agriculture, Food, and Food Processing Sectors by Output		
Sector	Total Employment	Total Output
Breakfast cereal manufacturing	135.5	\$107,212,732
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	494.5	\$56,139,342
Oilseed farming	31.3	\$31,358,777
Grain farming	74.4	\$26,454,888
Wholesale trade	73.0	\$14,966,190
Wineries	46.8	\$14,067,837
Other animal food manufacturing	9.5	\$12,758,809
All other crop farming	141.0	\$10,351,961
Support activities for agriculture and forestry	239.6	\$9,774,544
Poultry and egg production	10.1	\$8,030,772

Below is a summary of all agriculture data with employment levels and output level. These values can tell how many jobs are represented by each agriculture, food, and food processing sector and the output they contributed to the Pottawatomie County economy.

<b>All Agriculture, Food, and Food Processing Sectors</b>		
<b>Sector</b>	<b>Total Employment</b>	<b>Total Output</b>
Oilseed farming	31.3	\$31,358,776.61
Grain farming	74.4	\$26,454,887.83
Vegetable and melon farming	0.5	\$102,967.42
Fruit farming	1.2	\$101,299.39
Tree nut farming	0.3	\$43,773.82
Greenhouse, nursery, and floriculture production	15.6	\$2,158,966.10
All other crop farming	141.0	\$10,351,961.31
Beef cattle ranching and farming, including feedlots and dual-purpose ranching and farming	494.5	\$56,139,342.05
Dairy cattle and milk production	0.9	\$380,621.18
Poultry and egg production	10.1	\$8,030,771.63
Animal production, except cattle and poultry and eggs	36.0	\$4,339,898.31
Commercial logging	2.2	\$102,068.88
Commercial hunting and trapping	4.6	\$93,009.88
Other animal food manufacturing	9.5	\$12,758,809.26
Breakfast cereal manufacturing	135.5	\$107,212,731.94
Meat processed from carcasses	1.6	\$828,994.77
Bread and bakery product, except frozen, manufacturing	13.5	\$1,529,915.32
Frozen cakes and other pastries manufacturing	0.8	\$127,777.08
Coffee and tea manufacturing	5.3	\$3,686,897.01
Wineries	46.8	\$14,067,836.96
Veterinary services	45.6	\$3,901,902.63
Landscape and horticultural services	83.1	\$3,573,014.60

All 105 counties in Kansas have an IMPLAN model and an agriculture, food, and food processing contribution summary. These values do not factor in the retail environment of food sales. Food retail is important, but in order to provide the most accurate picture of what production agricultural and processing contributes to Pottawatomie County, the retail sector was omitted.